



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

September 30, 2005

Sarah Brown, Treasurer
Ohio State Central & Executive Committee
211 S. Fifth Street
Columbus, OH 43215

Response Due Date:
October 31, 2005

Identification Number: C00162339

Reference: Amended April Monthly Report (3/1/05 – 3/31/05), received 5/12/05

Dear Ms. Brown:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. This notice requests information essential to full public disclosure of your federal election campaign finances. **An adequate response must be received at the Commission by the response date noted above.** An itemization of the information needed follows:

-Your report discloses voided checks totaling \$5,030.68 on Schedule A supporting Line 15 of the Detailed Summary Page. If a check written by your committee was not cashed, you should itemize the voided check as a negative entry supporting the line on which the disbursement was originally reported. Line 15 should be used if the recipient cashed your check and wrote a refund on its account. Please amend your report to correct this discrepancy or provide clarification regarding this transaction.

-Schedule B supporting Line 30(b) of the Detailed Summary Page discloses \$25,686.72 in disbursements for "yard signs, rally signs" on behalf of Voinovich for Senate Committee. Please be advised that a state or local party committee may pay for campaign materials (such as bumper stickers) that are distributed by volunteers in connection with activity on behalf of the party's nominees in a general election. Payments for this type of activity are exempt from the definition of a contribution or expenditure if certain conditions are met. The conditions are that no public advertising may be used, including distribution by direct mail (mailings by a commercial vendor or from commercial lists); all funds used for the activity

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must be permitted under the Act; none of the funds used may have been designated for a particular candidate; and finally, payments for the activity may not be made from transfers-in from the national committee to specifically fund the activity. For further guidance, please refer to 11 CFR §§100.87 and 100.147 and to the Campaign Guide for Party Committees.

Please clarify the nature of the aforementioned disbursement(s). If the activity disclosed on your report does not meet the definition of "exempt" activity as described above and if any portion of the expenditures were made on behalf of specifically identified Federal candidates, that amount must be disclosed on Schedule B, E or F supporting Line 23, 24 or 25 of the Detailed Summary Page as appropriate.

-Schedule B supporting Line 21(b) of your report discloses a payment(s) totaling \$3,178.90 for "donor clubs printing," "solicitation postage" and "targeted county phone bank-final payment." Expenditures and disbursements for public communications (as defined under 11 CFR §100.26) that refer to a clearly identified candidate for Federal office and that promote, support, attack or oppose any candidate for Federal office, meet the definition of Federal Election Activity under 11 CFR §100.24 and should be disclosed on Schedule B for Line 30(b) along with the identity of the candidate(s).

Further, public communications that meet the definition of Federal Election Activity and that also contain express advocacy as defined under 11 CFR §100.22, but do not meet the conditions of exempt activity, would constitute an in-kind contribution, an independent expenditure or a coordinated party expenditure and should be properly disclosed on a Schedule B, E or F supporting Lines 23, 24 or 25, as appropriate, rather than on Schedule B for Line 30(b). Please clarify if this activity meets the definition of Federal Election Activity or if it contains express advocacy and amend your report to properly disclose this activity, if necessary.

-Please clarify all expenditures made for "fundraising consultant" on Schedule(s) B supporting Line 21(b). If a portion or all of these expenditures were made on behalf of specifically identified federal candidates, this amount should be disclosed on Schedules B, E or F supporting Lines 23, 24 or 25 and include the amount, name, address and office sought by each candidate. 11 CFR §§104.3(b) and 106.1

-Schedule B of your report discloses a reimbursement(s) to an individual(s) for apparent travel and subsistence advances in which the total amount

reimbursed exceeds \$500. When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by committee staff that make up the reimbursement may have to be itemized. For example, if the related payment(s) to any one vendor by the staff aggregates \$200 or more for the calendar year, the payment(s) must be itemized as a memo entry for that reimbursement. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and an adequate purpose. If itemization is not necessary for a particular reimbursement to staff in excess of \$500, you must clarify this in an amendment to this report. Please amend your report to include the missing or clarifying information. 11 CFR §300.36(b) and Advisory Opinion 1996-20, footnote 3

-Please clarify all expenditures made for "absentee ballot project" on Schedule(s) B supporting Line 30(b). If a portion or all of these expenditures were made for activity that promotes or opposes a Federal candidate, but does not qualify as exempt party activity, this amount should be disclosed on Schedule B or F supporting Lines 23 or 25. 11 CFR §§104.3(b), 104.17(a) and 106.1

-Schedule B supporting Line 21(b) discloses \$11,350.03 in disbursements to ORP Non-federal Account for "transfer to non-federal acct for payroll". You are advised that 11 CFR §102.5 prohibits a non-federal account from financing activity in connection with federal elections. Please provide clarifying information regarding these transactions including the date(s) when the original activity was conducted by the non-federal account. In addition, if any of the disbursements disclosed were made to influence the election or defeat of specific federal candidates, the disbursements should be allocated accordingly and disclosed as either in-kind contributions on Schedule B supporting Line 23, independent expenditures on Schedule E supporting Line 24, or as coordinated expenditures on Schedule F supporting Line 25. 11 CFR §§104.3(b)(3) and 106.1

Although the Commission may initiate legal action regarding the activities conducted by your non-federal account, any clarifying information that you can provide will be taken into consideration.

-Schedule H4 supporting Line 21(a) of your report discloses a payment(s) for "staff addl life insurance". Please be advised that pursuant to 11 CFR §300.33(c)(2), salaries and wages for employees who spend more than 25% of their compensated time in a given month on Federal election activity or

activities in connection with a Federal election must not be allocated between or among federal and non-federal accounts. Rather, only federal funds may be used. Further, the Commission concluded in Advisory Opinion 2003-11 that amounts spent for employee-specific "fringe benefits," consisting of health insurance, disability insurance, life insurance, retirement benefits and payroll taxes, fall into the category of compensated time.

Any reimbursement from your committee's non-federal account for this payment is not permissible and must be returned. Although the Commission may take further legal action regarding this improper allocation activity, your prompt action will be taken into consideration.

-Schedule A, supporting Line 15 of your report discloses an apparent voided check totaling \$2,119.49 for what appears to be a previously allocated expense to Nextel Communications. Please be advised that if the original check written by your committee to this vendor was not cashed, you should itemize the voided check as a negative entry on H4 according to the same allocation ratio used to allocate the original disbursement. In addition, you should clarify if and when this check was reissued. If the check was not reissued, please explain the steps your committee has taken to account for the federal portion of these voided or returned checks in order to avoid the acceptance of a prohibited in-kind contribution.

If this entry represents a check that was written to your committee on the vendor's account for a refund or rebate, you should use one of the following methods to account for the non-federal portion of the refund or rebate. The method of reporting described in Advisory Opinion 1995-22 allows a committee to itemize the refund or rebate as a negative entry on Schedule H4. Alternatively, a committee may disclose the receipt of the refund or rebate into the federal account, on Schedule A supporting Line 15, and the transfer out of the non-federal account's share to the non-federal account on Schedule H4. Please refer to the enclosed sample of properly reported refunds and rebates of allocable activity and amend your report as appropriate to clarify this activity.

-Itemized disbursements must include a brief statement or description of why the disbursements were made. Please amend Schedule(s) B and H4 of your report to clarify the following description(s): "office supplies" (to an individual), "office supplies, meeting meals, internet" (to an individual) and "computer supplies" (to an individual). For further guidance regarding acceptable purposes of disbursements, please refer to 11 CFR §104.3(b)(3).

-Schedule H4 supporting Line 21(a) of your report discloses \$2,394.57 in apparent disbursements as "memo" entries that do not appear to correspond with any itemized transaction(s). Please be advised, a memo entry is used to disclose additional information about an itemized transaction and the amount of a memo entry is not included in the total receipts or disbursements for the report. Please amend your report to provide clarifying information regarding these disbursements.

-Your 2005 February Monthly, March Monthly and April Monthly reports combined disclose limited payments for administrative expenses. Administrative expenses are payments made for the purpose of operating a political committee including, but not limited to, rent, utilities, salaries, telephone service, office equipment and supplies. Each state, district or local party committee utilizing separate federal and non-federal accounts is required to allocate any administrative expenses (excluding salary) between the accounts according to a fixed percentage selected on Schedule H1. A Schedule H1 must be filed with the first FEC FORM 3X filed at the beginning of each calendar year. Payments for salary and wages for employees who spend more than 25% of their compensated time on Federal election activities or on activities in connection with a Federal election must be made from a federal account and disclosed on a Schedule B supporting Line 30(b) of the Detailed Summary Page. 11 CFR §106.7

Any goods or services provided to your committee by a person, except volunteer activity (i.e., a person's time), would be considered an in-kind contribution from that person, and would be subject to the disclosure requirements of 2 U.S.C. §434(b)(3) and 11 CFR §104.13, and the limitations and prohibitions of 2 U.S.C. §§441a and 441b.

Clarification regarding administrative expenses should be provided during each two year election cycle beginning with the first report filed in the non-election year. Please provide the necessary information regarding administrative expenses incurred by your committee and/or amend your report to disclose such expenses according to the referenced provisions of the Act and Commission Regulations.

-Schedule H4 of your report discloses reimbursements to individuals for "computer supplies," "office supplies" and "office supplies, meeting meals, internet." Please be advised that when itemizing reimbursements to individuals for goods or services, payment to the original vendors must be itemized as memo entries regardless of amount. Each memo entry must

include the name and address of the original vendor, as well as the date, amount and purpose of the original purchase must be provided. Please amend your report to include the missing information. 11 CFR §§104.10 and 104.17, and Advisory Opinions 1992-1 and 1996-20, footnote 3

-Schedule H4 of your report discloses a reimbursement(s) to an individual(s) for apparent travel and subsistence advances in which the total amount reimbursed exceeds \$500. When the reimbursement amount to staff for travel and subsistence advances exceeds \$500, the payments by committee staff that make up the reimbursement have to be itemized as memo entries regardless of the amount. Each memo entry must include the complete name and address of the original vendor, as well as the date, amount and an adequate purpose. Please amend your report to include the missing information. 11 CFR §§104.10 and 104.17, and Advisory Opinion 1996-20, footnote 3

-Commission records indicate the official name of your political committee is "Ohio State Central & Executive Committee." However, your committee has filed this report(s) using the name "Ohio Republican State and Central Executive Committee". While committees may use commonly recognized abbreviations on daily communications (i.e. letterhead and committee checks), committee filings such as disclosure reports and amendments must reflect the official name of the committee, as well as any abbreviation within its title. 11 CFR §102.2(a)(2) and 2 U.S.C. § 433(c) Please amend your Statement of Organization to reflect the apparent change.

Unlike previous election cycles, you will not receive an additional notice from the Commission on this matter. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments (to include statements, designations and reports) in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions regarding this matter or wish to verify the adequacy of your response, please

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contact me on our toll-free number (800) 424-9530 (at the prompt press 5 to reach the Reports Analysis Division) or my local number (202) 694-1157.

Sincerely,



Laura E. Sinram
Campaign Finance Analyst
Reports Analysis Division

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